



## The German Dental Market

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### **Summary**

The German dental market is the third largest in the world after the United States and Japan. Germany represents the largest single market for dental equipment inside the European Union. The German dental market is highly sophisticated and comprise a broad range of dental drills, burrs, discs, brushes, dental instruments, dental workstations, and lighting. In addition, a vast array of artificial teeth, dental prostheses or implants, anesthetics apparatus, hygienic equipment, digital x-ray equipment for dental use, and computer systems for dental practices and dental laboratories constitute the dental German market.

Imports account for almost 15% of Germany's total market demand for dental equipment. German dentists are receptive to high-quality, sophisticated dental equipment. Modern, cost-saving equipment and supplies for microsurgery, biomedicine, and radiology will continue to see strong demand as will price-competitive ergonomic dental chairs, artificial teeth, dental prostheses, dentures, and bridges. The trend is toward new and innovative technologies, such as digitally networked dental practices; computer-aided production of dentures; high-speed instruments with optimum cooling systems; titanium implants; and hygienic easy-care equipment and instruments. Ergonomic dental chairs and workstations as well as pain-free and soundless laser technology will also see high demand over the period 2005/06.

German firms are major suppliers to the dentistry sector. The German dental industry is on the cutting edge of technology, holds a leading position in international markets and has an excellent reputation. German end-users tend to prefer locally manufactured products due to perceived superiority. American products can usually compete successfully on the basis of innovation and price. In order to gain a foothold in the German dental market, new-to-market U.S. suppliers should offer niche products and services not yet available from any of the established suppliers.

### **Market Overview**

(EUR-USD exchange rate used throughout report: EUR 1 equals USD 1.33)

The German dental market totaled USD 7.14 billion (EUR 5.37 billion) in 2002. Local production in 2002 stood at USD 5.61 billion (EUR 4.22 billion). German dental equipment exports amounted to USD 1.85 billion (EUR 1.39 billion), and dental imports were valued at USD 3.38 billion (EUR 2.54 billion) in 2002. Thus, 48% of sales in the German dental market resulted from products imported into Germany. The moderate growth of 1.2% over the previous year can be attributed to the lower USD-EUR exchange rate.

In 2003, the German dental industry reported an increase in worldwide sales of 2.2% over 2002 levels to a total of USD 3.98 billion (EUR 2.99 billion), excluding its own

offshore production. Adding the German foreign subsidiaries' income of USD 166.25 million (EUR 125 million), total 2003 sales of the German dental industry equaled USD 4.14 billion (EUR 3.11 billion). The German dental industry's sales in Germany reached USD 2.13 billion (EUR 1.6 billion) in 2003, an increase of 3.2% over 2002. Part of the increase can be attributed to the introduction of additional insurance for dental prostheses in January 2005, thereby leading to a continuing upsurge in sales in the last quarter of 2004. Further changes in dental reimbursements and resulting price pressures will continue to bring moderate but consistent growth in the German dental market, in contrast to the stagnating overall economic climate in Germany.

**German select dental products imports in 2002 (in USD thousand):**

Categories	Leading Importer	Second	Third	Fourth	Total
Dental cement and tooth filling material	USA 19,223	Liechtenstein 9,683	Japan 7,100		50,884
Tooth cleansing material	Liechtenstein 71,183	United Kingdom 44,352	Italy 10,319	USA 3,931	83,011
Tooth handling materials	Switzerland 7,727	USA 1,870	Austria 1,621		13,283
Artificial teeth (synthetic)	Liechtenstein 1,275	United Kingdom 1,025	Switzerland 1,072	USA 789	6,053
Artificial teeth (other materials)	China 2,806	USA 2,282	Switzerland 2,004		11,169
Dental plate and prosthodontist material	USA 21,505	Switzerland 18,704	Sweden 7,040		59,834
Toothbrushes	Switzerland 11,073	Ireland 10,141	USA 2,849		34,811

Source: German Federal Statistics Office

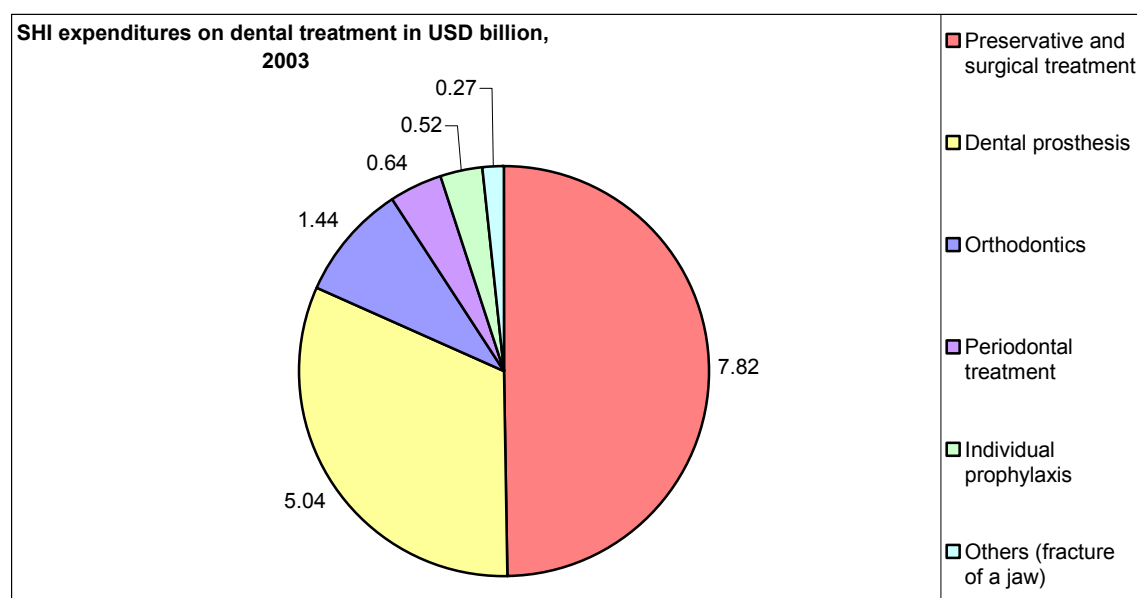
**The German Health Care System**

The German health care system today is facing tremendous challenges. As life expectancy rises, elderly people are requiring longer medical care and the number of elderly committed to hospitals or nursing homes because of geriatric disorders or chronic diseases is growing steadily. The changes in population size and structure in Germany over the past years have had a negative impact on the financing of the German social security system and herald more dramatic changes for the future.

In Germany, the term "health care system" encompasses all institutions and individuals who contribute to, support, and restore the health of the population. Federal and state

governments are responsible for the maintenance of the public health care system; all insured persons receive health care benefits; and suppliers of such services are remunerated directly by the insurance funds.

Nearly 90% of the German population, or 72 million people, are insured in the statutory health insurance (SHI), the public sickness funds. In 2003, SHI spent approximately USD 15.72 billion (EUR 11.82 billion) on dental care. SHI's total 2003 expenditures amounted to USD 192.2 billion (EUR 144.5 billion).



Source: KZBV, Kassenärztliche Bundesvereinigung (Federation of Dentists accredited with SHI)

### **State of Dental Health**

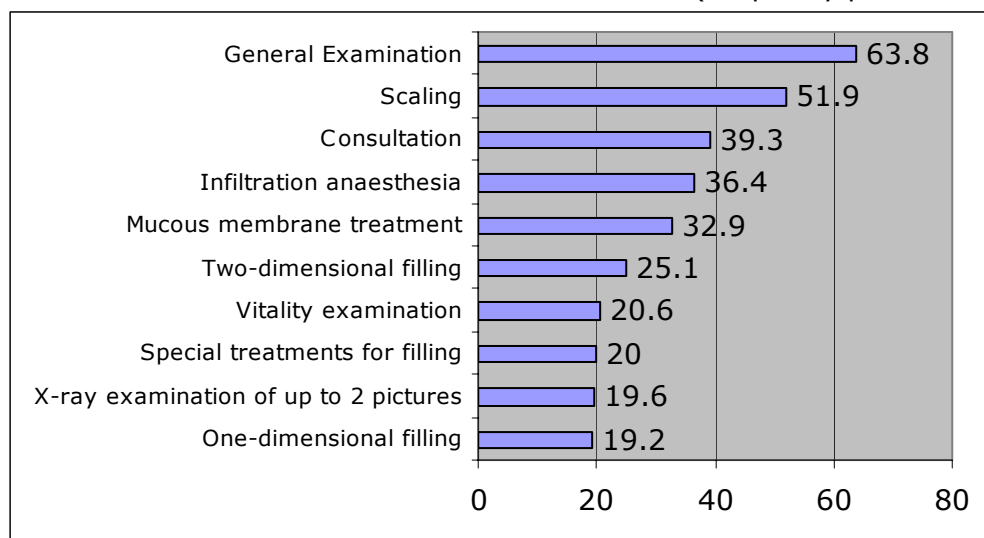
On December 31, 2003, the German population totaled 82,531,700 million. The nationwide average of tooth cavities was:

(DMFT= Indices for the average number of teeth with tooth cavities in this age group)

<b>Per Cent Affected; DMFT; Different Age groups</b>						
Age Group	% affected	DMFT	D (decayed)	M (missing)	F (filled)	Year
9 years	n.a.	0.45	n.a.	n.a.	n.a.	2000
12 years	44.7	1.24	0.23	0.03	0.98	2000
35-44 years	99.2	16.1	0.5	3.9	11.7	1997
65-74 years	n.a.	23.6	0.3	17.6	5.8	1997

Source: Federal Dentists Association

The most common dental treatments in 2003 were (frequency per 100 cases):



Source: Federal Dentists Association

### **End-User Analysis**

The primary end-user market in Germany for dental workstations, instruments and dentures are dental practices and dental laboratories. Germany had 62,609 practicing dentists (55,374 accredited with SHI) in 2003, or one dentist for every 1,277 inhabitants. The number of dentists is expected to increase over the next few years because more young dentists are entering the market than older dentists retiring. In addition to dentists, 90,400 people were employed in the dental practices.

Moreover, Germany had 8,800 dental laboratories and 66,000 dental technicians in 2003. Of the German dental labs, 69.2% were independent laboratories and 20.8% were practice laboratories.

### **Distribution Channels**

Typically, dentists obtain their supplies from dental dealers, the so-called "Dental Depots." Spread throughout Germany, the Dental Depots there are more 200 and the majority are serviced by the large dental wholesaler organizations. The largest is the Demedis group, headquartered south of Frankfurt, and originally part of the Siemens group. In January 2004, Demedis was taken over by Henry Schein Inc., which also purchased Hager Dental and DentConcept to become a major player in the European dental market. With annual sales of USD 250 million and a workforce of 1,000, Demedis was Europe's largest dental trading organization in 2003. Next to Demedis, the NWD GROUP and the Dental Union are important players in the German dental market. In addition, mail-order dental depots are increasingly offering supplies over the Internet.

### **Tariffs, Import regulations**

Official trade barriers, such as quotas, do not exist. The importation of dental products into Germany is duty-free. A 16% import-turnover Tax ("Einfuhrumsatzsteuer") must be

paid at the port of entry, and is, in later distribution stages, passed on to the ultimate end-user in the form of the value-added tax (VAT or "Mehrwertsteuer" - MWSt). For customs clearance, a product label is required, which describes the use, origin and value of the product.

### **Trade restrictions and safety regulations**

Although no trade restrictions or other non-tariff barriers (such as quotas) apply to the sale of imported dental products or parts/accessories for dental products on the German market, all equipment must comply with German (and/or European) safety regulations and technical standards.

All electrical equipment in Germany must be suitable for use with 220 Volt, 50 cycle electrical current. Since January 1, 1996, CE approval is mandatory for all products sold on the European market. By marking their products with the CE approval symbol, manufacturers guarantee that their products correspond to the EU guidelines for electrical and electronic devices.

Furthermore, electrical equipment should have VDE or TUEV-approval. A "UL" approval is not a substitute but is helpful in obtaining "GS/VDE," or "GS/TUEV" approval in Germany. "GS" stands for "geprüfte Sicherheit" (safety-tested). Although "GS" and the "VDE" (or "GS" and TUEV) marks are not required by law, they are highly recommended for marketing electrical goods in Germany. These labels denote high product safety. German consumers look for these labels as Americans do for the "UL" mark.

The U.S. product safety testing institute Underwriters Laboratories (UL), the VDE Testing and Certification Institute, the TUEV Product Service, and the IMQ (Product and Quality System Certification in Italy) have formed a strategic alliance in the field of electromagnetic compatibility (EMC). The result of this co-operation has been an EMC test mark recognized worldwide. For manufacturers of electrical and electronic products, this co-operation has led to a considerable simplification of EMC testing. Through a single test carried out by one of these four partners, a product can now be awarded an international EMC mark, which replaces the national test marks in the major world markets of Europe, the United States, Japan and Australia (more information on <http://www.intlemcmark.com>).

Contact information for the two testing institutes VDE and TUEV:

#### **VDE – Verband Deutscher Elektrotechniker e.V.**

Prüf- und Zertifizierungsinstitut (VDE Testing Division)

Merianstraße 28  
DE-63069 Offenbach  
Tel 1: 49 69 8306-0  
Tel 2: 49 69 8306-600  
Fax: 49 69 8306-555

Internet: [www.vde.de](http://www.vde.de) or [http://www.vde.de/vde\\_pi](http://www.vde.de/vde_pi)

E-Mail: [vde-institut@vde.com](mailto:vde-institut@vde.com)

**VDE Authorized Offices, VDA Expatriates, VDE Liaison Offices and VDE Liaison Addresses in the United States**

Heinz Rosen VDE Authorized Office 9 Cedar Valley Lane Huntington, NY 11743 Tel: 516-730-654 Fax: 516-4246-248 Email: <a href="mailto:muhandas@aol.com">muhandas@aol.com</a>	<u>Dallas (Lewisville)</u> Frank Richter 355 E. Vista Ridge Rd., Apt. 3921 Lewisville, TX 75067 Tel: 214-488-4496 Fax: 214-488-4966 Email: <a href="mailto:frank.richter@vde.com">frank.richter@vde.com</a>	<u>Melville</u> Underwriters Laboratories Inc. ICS Dept. 1285 Walt Whitman Road Melville, Long Island NY 11747-3081 Tel: 516-271-6200 Fax: 516-439-6071
Entela Inc. 3033 Madison Ave. Grand Rapids, MI 49548 Tel: 616-247-0515 Fax: 616-574-9752 E-mail: <a href="mailto:thubbard@entela.com">thubbard@entela.com</a>	Underwriters Laboratories Inc. International Compliance Service Department ICS 333 Pfingsten Road Northbrook, IL 60062-2096 Tel: 847-272-8800 Fax: 847-272-8129	<u>Batesville</u> Hans-Werner Zeller 26022 Arbor Lake Drive Batesville, Indiana 47006 Tel: 812-933-1002 Fax: 812-933-0345 E-mail: <a href="mailto:hans-werner.zeller@vde.com">hans-werner.zeller@vde.com</a>

<b>TUEV Rheinland</b> (TUEV Rhineland)	<b>TUEV Süddeutschland Holding AG</b> (TUEV South Germany)	<b>TUEV NORD GmbH</b> (TUEV North Germany)
Am Grauen Stein D-51105 Köln Tel: 49-221-806 0 Fax: 49-221-806-3406 E-mail: <a href="mailto:info@tuev-rheinland.de">info@tuev-rheinland.de</a> Internet: <a href="http://www.tuev-rheinland.de">www.tuev-rheinland.de</a>	Westendstraße 199 D-80686 München Tel: 49-89-5791-0 Fax: 49-89-5791-1551 E-mail: <a href="mailto:info@tuev-sued.de">info@tuev-sued.de</a> Internet: <a href="http://www.tuev.sued.de">www.tuev.sued.de</a>	Am TÜV 1 D-30519 Hannover Tel: 49-511-986-0 Fax: 49-511-986-1237 E-mail: <a href="mailto:info@tuev-nord.de">info@tuev-nord.de</a> Internet: <a href="mailto:info@tuev-nord.de">info@tuev-nord.de</a>

### **TUEV in the United States**

TUV Rheinland of North America Inc.  
12 Commerce Road  
Newtown, CT 06470  
USA  
Tel.: 203-426-0888  
Fax: 203-426-4009  
E-mail: [info@tuv.com](mailto:info@tuv.com)  
Internet: <http://www.us.tuv.com> (further U.S. offices of the TUEV can be found on this Website)

### **Trade Associations**

Associations play an important role in the German industry. While they represent the interests of their members, they are also a useful source of information. Some of the major associations active in the dental industry area are:

VDDI- Der Verband der deutschen Dentalindustrie e.V. (Association of German Dental Manufacturers)	<b>Aachener Straße 1053-1055 50858 Köln</b>  <b>Mailing Address:</b>  <b>Postfach 40 06 63 D-50836 Köln</b>	<b>Phone: +49 (221) 500 687 – 0</b> <b>Fax: +49 (221) 500 687 –21</b> <b>Internet: <a href="http://www.vddi.de">www.vddi.de</a></b> <b>E-mail: <a href="mailto:info@vddi.de">info@vddi.de</a></b>	<b>Represents the interests of the German dental manufacturers</b> <b>Promotes the exchange of opinions and experience among member companies</b> <b>Organizes the biennial <u>IDS - International Dental Show</u></b> <b>Networks with the European (<u>FIDE</u>) and international (<u>IDM</u>) dental manufacturers associations</b>
DGZMK- Deutsche Gesellschaft für Zahn-,	<b>Liesegangstr. 17 40211 Düsseldorf</b>	<b>Phone: +49 (211) 61 01 98 0</b> <b>Fax: +49 (211) 61 01 98 11</b> <b>Internet: <a href="http://www.dgzmk.de">www.dgzmk.de</a></b>	<b>DGZMK represents all aspects of science and research within dentistry and influences the</b>

Mund- und Kieferheilkunde (German Society of Dental, Oral and Cranio-mandibular Sciences)		E-mail: <a href="mailto:info@dgzmk.de">info@dgzmk.de</a>	practice of dentistry in Germany. More than 11,000 dentists, biologists, and persons of related fields in natural sciences are registered as members.
FVDZ-Freier Verband deutscher Zahnärzte e. V. (Association of Independent German Dentists)	Mallwitzstraße 16 53177 Bonn	Phone: +49 (228) 8557-0 Fax: +49 (228) 340671 Internet: <a href="http://www.fvdz.de">www.fvdz.de</a> E-mail: <a href="mailto:info@fvdz.de">info@fvdz.de</a>	FVDZ represents the interests of independent dentists in Germany and counts 23,000 members.
PZVD- Privatzahnärztliche Vereinigung Deutschlands e.V. (Association of dentists cooperating with private insurance funds)	Saliering 32 50677 Köln	Phone: +49 (221) 9 97 73 33 Fax: +49 (221) 9 97 73 34 Internet: <a href="http://www.pzvd.de">www.pzvd.de</a> E-mail: <a href="mailto:info@pzvd.de">info@pzvd.de</a>	PZVD is the professional union of dentists working in independent practices and not accredited with the SHI.
BNZ- Bundesverband der naturheilkundlich tätigen Zahnärzte in Deutschland e.V. (German Homoeopathic Dentists Association)	Von-Groote Str.30 D- 50968 Köln	Phone: +49 (221) 3761005 Fax: +49 (221) 3761009 Internet: <a href="http://www.bnzd.de">www.bnzd.de</a> E-mail: <a href="mailto:info@bnzd.de">info@bnzd.de</a>	Association for homoeopathic dentists and orthodontists
DGKFO - Deutsche Gesellschaft für Kieferorthopädie e.V. (German Orthodontists Association)	Ackerstr. 3 10115 Berlin	Phone: +49 (30) 246 32 136 Fax: +49 (30) 246 32 137 Internet: <a href="http://www.dgkfo.de">www.dgkfo.de</a> E-mail: <a href="mailto:schuricht@bdk-online.org">schuricht@bdk-online.org</a>	Association of dentists who specialize on dental prophylaxis and teeth and jaw corrections. 2,500 members
BDK-Berufsverband der Deutschen Kieferorthopäden e.V. (Professional German Orthodontists Association)	Ackerstraße 3 10115 Berlin	Phone: +49 (30) 27594843 Fax: +49 (30) 27594844 Internet: <a href="http://www.bdk.de">www.bdk.de</a> E-Mail: <a href="mailto:info@bdk-online.org">info@bdk-online.org</a>	Lobbying association for orthodontists in Germany.
KZBV Kassenzahnärztliche Bundesvereinigung Universitätsstr. 73 50931 Köln	Universitätsstr. 73 50931 Köln	Phone: +49 (221) 4001 - 0 Fax: +49 (221) 40 40 35 Internet: <a href="http://www.kzbv.de">www.kzbv.de</a> E-Mail: <a href="mailto:post@kzbv.de">post@kzbv.de</a>	Lobby association of dentists accredited with the German statutory health insurance.

## **Trade Promotion Opportunities**

### **FUSE**

FUSE – Featuring U.S. Exporters: U.S. manufacturers looking for sales leads or potential sales representatives in Germany can list their products and services on the German-language version of the U.S. Commercial Service website, [www.buyusa.gov/germany](http://www.buyusa.gov/germany), which targets an audience of German importers, distributors and commercial buyers. It allows a search via keyword.

### **Commercial News USA**

Commercial News USA is the official United States Department of Commerce showcase for American-made products and services. The catalog-style magazine is designed to help American companies promote products and services to buyers in more than 145 countries. Each issue reaches an estimated 400,000 readers worldwide. For more information, please visit: [www.thinkglobal.us](http://www.thinkglobal.us)



## **Major Trade Publications**

In Germany, trade publications are important promotion vehicles. Listed below are the leading trade publications for the German dental and orthodontic industry, which are suitable for advertising U.S. dental products. Detailed information and current advertising rates are available upon request.

zm- Zahnärztliche Mitteilungen (Dental Report)	Publisher: Deutscher Ärzte-Verlag GmbH  Dieselstraße 2 50859 Köln	Contact: Mr. Norbert Froitzheim Phone: +49 (2234) 7011-230 Fax: +49 (2234) 7011-515 Internet: <a href="http://www.aerzteverlag.de">www.aerzteverlag.de</a> Email: <a href="mailto:froitzheim@aerzteverlag.de">froitzheim@aerzteverlag.de</a>	Published: Twice a month  Circulation: 80,617
Dental Magazin (Dental Magazine)	Publisher: Deutscher Ärzte-Verlag GmbH  Dieselstraße 2 50859 Köln	Contact: Mr. Norbert Froitzheim Phone: +49 (2234) 7011-230 Fax: +49 (2234) 7011-515 Internet: <a href="http://www.aerzteverlag.de">www.aerzteverlag.de</a> Email: <a href="mailto:froitzheim@aerzteverlag.de">froitzheim@aerzteverlag.de</a>	Published: Six times a year  Circulation: 49,100
Deutsche Zahnärztliche Zeitung (German dental newspaper)	Publisher: Deutscher Ärzte-Verlag GmbH  Dieselstraße 2 50859 Köln	Contact: Mr. Norbert Froitzheim Phone: +49 (2234) 7011-230 Fax: +49 (2234) 7011-515 Internet: <a href="http://www.aerzteverlag.de">www.aerzteverlag.de</a> Email: <a href="mailto:froitzheim@aerzteverlag.de">froitzheim@aerzteverlag.de</a>	Published: Monthly  Circulation: 5,000
Die Zahnarzt Woche (Dentist Week)	Publisher: DZW-editorial  Kurt-Schumacher-Straße 6 53113 Bonn	Phone: +49 (228) 96 94 25-0 Fax: +49 (228) 96 94 25-20 Internet: <a href="http://www.dzw.de">www.dzw.de</a> Email: <a href="mailto:redaktion@dzw.de">redaktion@dzw.de</a>	Published: Weekly  Circulation: 46.300
KFO- Zeitung Monatszeitung der Kieferorthopäden (Monthly journal for orthodontists)	Publisher: udp – Unabhängige Dentalpresse Medien- und Verlagsgesellschaft mbH & Co. KG  Im Hörnchen 12 51429 Bergisch Gladbach	Phone: +49 (2204) 98 95 80 Fax: +49 (2204) 98 95 89 Internet: <a href="http://www.kfo-zeitung.de">www.kfo-zeitung.de</a> Email: <a href="mailto:info@udp-verlag.de">info@udp-verlag.de</a>	Published: Ten times a year  Circulation: 4.000-10.000
IOK- Informationen aus Orthodontie & Kieferorthopädie (Orthodontic News)	Publisher: Georg Thieme Verlag KG Rüdigerstraße 14 70469 Stuttgart	Phone: +49 (711) 8931-0 Fax: +49 (711) 8931-298 Internet: <a href="http://www.thieme.de">www.thieme.de</a> Email: <a href="mailto:kunden.service@thieme.de">kunden.service@thieme.de</a>	Published: Four times a year  Circulation: 2.200



## **Major Trade Shows**

In Germany trade fairs play a major role in product marketing. U.S. companies wishing to penetrate the German market often make their first approach at major trade fairs. For U.S. manufacturers and exporters wishing to sell in Germany (and in Europe) it is important to exhibit at one of Germany's major international fairs. Exhibiting at fairs can bring direct sales, but, more significantly, it can be one of the least expensive ways to test the market's receptivity for dental and orthodontic equipment. Further the strength and scope of the competition can be assessed and contacts with others "in the trade" can be established. From these contacts, U.S. companies can gather a great deal of valuable information about marketing in Germany and Europe. The most suitable trade shows are:

Date	Trade Fair	Place	Type of Event
April 12-16, 2005	<u>IDS - International Dental Show</u>	Cologne (Germany)	International
September 23-24, 2005	<u>FACHDENTAL LEIPZIG - Regional Dental Trade Fair</u>	Leipzig (Germany)	Regional
October 7-8, 2005	<u>FACHDENTAL SÜDWEST - Trade fair for dental surgeries and laboratories</u>	Stuttgart (Germany)	Regional
June 16-17, 2006	<u>dental informa - Regional dental Trade Fair</u>	Hanover (Germany)	Regional
September 22-23, 2006	<u>FACHDENTAL LEIPZIG - Regional Dental Trade Fair</u>	Leipzig (Germany)	Regional
October 21-22, 2006	<u>FACHDENTAL SÜDWEST - Trade fair for dental surgeries and laboratories</u>	Stuttgart (Germany)	Regional
March 20-24, 2007	<u>IDS - International Dental Show</u>	Cologne (Germany)	International

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The U.S. Commercial Service Germany can be contacted via e-mail at: [dusseldorf.office.box@mail.doc.gov](mailto:dusseldorf.office.box@mail.doc.gov) website: <http://www.buyusa.gov/germany/en/>.

You can locate your nearest U.S. Export Assistance Center, as well as Commercial Service offices overseas by visiting [www.buyusa.gov](http://www.buyusa.gov).

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